

# Consolidated Financial Statements – Summary

November 6, 2012

(For the six months ended September 30, 2012)

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Company name: **NICHIREI CORPORATION** (Code number 2871)

## 1. Results for the Six Months Ended September 30, 2012 (April 1, 2012 through September 30, 2012)

### (1) Consolidated financial results (Cumulative)

(Amounts less than one million yen are omitted)

	Net sales	Operating income	Recurring income	Net income
	Million yen	Million yen	Million yen	Million yen
Six months ended September 30, 2012	231,619	8,475	8,238	6,300
Six months ended September 30, 2011	226,590	8,340	7,813	4,209

(Note) Comprehensive income: Six months ended September 30, 2012: 4,612 million yen (-6.9%)  
Six months ended September 30, 2011: 4,953 million yen (143.0%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Six months ended September 30, 2012	21.37	-
Six months ended September 30, 2011	13.89	-

### (2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of September 30, 2012	293,226	122,323	40.9	406.59
As of March 31, 2012	290,537	118,700	40.2	396.33

(Note) Shareholders' equity: As of September 30, 2012: 119,852 million yen  
As of March 31, 2012: 116,831 million yen

## 2. Dividend Status

(Base date)	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2012	-	4.00	-	5.00	9.00
FY ending March 31, 2013	-	5.00			
FY ending March 31, 2013 (Forecast)			-	5.00	10.00

Note: Revisions to dividend forecasts published most recently (Y/N): No

## 3. Estimation of Business Results of Fiscal Year Ending March 31, 2013 (April 1, 2012 through March 31, 2013)

(Percentages show year-on-year changes.)

	Net sales	Operating income	Recurring income	Net income	E.P.S.
	Million yen	Million yen	Million yen	Million yen	Yen
FY ending March 31, 2013	468,000	17,000	16,300	11,300	38.33

Note: Revisions to financial estimation published most recently (Y/N): Yes

**\* Notes**

(1) Changes in important subsidiaries during the six-month period ended September 30, 2012 (Change in specific subsidiaries as a result of a change in the scope of consolidation): None

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements: Yes  
(Calculation of tax cost)

With respect to tax cost, an effective tax rate was reasonably estimated after applying tax effect accounting to net income before taxes for the fiscal year including the six-month period ended September 30, 2012, and tax cost was calculated by multiplying quarterly net income before taxes by the effective tax rate.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies associated with the revision of accounting standards, etc.: Yes

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: Yes

(Changes in accounting policies that are difficult to differentiate from changes in accounting estimates)

Following a revision of the Corporation Tax Act the Company and its domestic subsidiaries have, from the first half of the consolidated fiscal year under review, changed the depreciation method based on the revised Corporation Tax Act with regard to tangible fixed assets acquired on or after April 1, 2012.

The impact of this change on the profit and loss of the first half of the consolidated fiscal year under review is minimal.

(iv) Restatement: None

(4) Total number of outstanding shares (Common stock)

(i) Total number of outstanding shares at term end (Includes treasury stock):

As of September 30, 2012: 310,851,065 shares

As of March 31, 2012: 310,851,065 shares

(ii) Total treasury stock at term end:

As of September 30, 2012: 16,075,186 shares

As of March 31, 2012: 16,064,941 shares

(iii) Average number of outstanding shares during the period:

For the six months ended September 30, 2012: 294,781,092 shares

For the six months ended September 30, 2011: 303,052,060 shares

**\* Status of a quarterly review**

This quarterly financial summary falls outside the scope of quarterly review procedures based on the stipulations of the Financial Instruments and Exchange Act. The review procedures for quarterly consolidated financial statements based on the stipulations of the Financial Instruments and Exchange Act had not been completed at the time this financial summary was disclosed.

**\* Note to proper use of forecast of operating results and other special remarks**

This statement was prepared based on information available at the time of disclosure. Actual results may vary significantly as a result of a variety of factors. Please refer to the "Cautionary Statements" on page 9.

## Consolidated Balance Sheets

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	FY 2012 (As of March 31, 2012)	As of September 30, 2012
<b>&lt;Assets&gt;</b>		
<b>Current assets</b>		
Cash and time deposits	10,621	14,183
Notes and account receivable – trade	64,473	70,140
Merchandise and finished products	30,764	29,685
Products in process	246	369
Raw materials and supplies	4,277	4,348
Deferred tax assets	1,556	1,582
Other current assets	3,747	3,521
Less allowance for doubtful accounts	(196)	(171)
<b>Total</b>	<b>115,492</b>	<b>123,660</b>
<b>Fixed assets</b>		
<b>Tangible assets</b>		
Buildings and structures (net)	67,104	65,534
Machinery and equipment (net)	17,367	16,984
Land	29,252	29,256
Leased assets (net)	21,262	20,584
Construction in progress	1,862	1,830
Other tangible fixed assets (net)	1,263	1,250
<b>Total</b>	<b>138,113</b>	<b>135,440</b>
<b>Intangible assets</b>		
Goodwill	1,982	2,291
Other intangible fixed assets	3,568	3,441
<b>Total</b>	<b>5,551</b>	<b>5,733</b>
<b>Investments and other assets</b>		
Investment securities	23,371	20,446
Deferred tax assets	1,345	1,385
Other assets	7,108	6,886
Less allowance for doubtful accounts	(444)	(327)
<b>Total</b>	<b>31,380</b>	<b>28,391</b>
<b>Total fixed assets</b>	<b>175,045</b>	<b>169,565</b>
<b>Total assets</b>	<b>290,537</b>	<b>293,226</b>

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	FY 2012 (As of March 31, 2012)	As of September 30, 2012
<b>&lt;Liabilities&gt;</b>		
<b>Current liabilities</b>		
Account payable – trade	28,425	28,667
Short-term bank loans	12,134	14,008
Commercial paper	5,000	6,000
Current portion of long-term loans	1,586	1,558
Lease obligations	3,693	3,694
Accrued expenses	20,565	21,640
Income taxes payable	3,365	2,326
Directors' and statutory auditors' bonuses	210	104
Other current liabilities	9,171	8,297
<b>Total</b>	<b>84,152</b>	<b>86,298</b>
<b>Long-term liabilities</b>		
Bonds	20,000	20,000
Long-term loans	36,112	35,377
Lease obligations	19,297	18,526
Deferred tax liabilities	2,287	1,517
Employees' retirement benefits	1,421	1,447
Directors' and statutory auditors' retirement benefits	340	305
Asset retirement obligations	2,207	2,284
Long-term deposits received	3,271	3,093
Other long-term liabilities	2,746	2,051
<b>Total</b>	<b>87,685</b>	<b>84,604</b>
<b>Total liabilities</b>	<b>171,837</b>	<b>170,902</b>
<b>&lt;Net assets&gt;</b>		
<b>Owners' equity</b>		
Common stock	30,307	30,307
Capital surplus	23,709	23,709
Retained earnings	68,434	73,261
Treasury stock	(5,873)	(5,877)
<b>Total</b>	<b>116,578</b>	<b>121,401</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gains on securities	3,585	1,988
Deferred gains or losses on hedges	(0)	(48)
Translation adjustment	(3,332)	(3,488)
<b>Total</b>	<b>252</b>	<b>(1,548)</b>
<b>Minority interests</b>	<b>1,869</b>	<b>2,470</b>
<b>Total net assets</b>	<b>118,700</b>	<b>122,323</b>
<b>Total liabilities and net assets</b>	<b>290,537</b>	<b>293,226</b>

# Consolidated Statements of Income

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	Six months ended September 30, 2011 (Apr. 2011–Sep. 2011)	Six months ended September 30, 2012 (Apr. 2012–Sep. 2012)
<b>Net sales</b>	226,590	231,619
Cost of sales	182,469	186,379
<b>Gross profit</b>	44,120	45,240
Selling, general and administrative expenses		
Transportation and storage expense	6,918	6,927
Sales promotion expense	9,291	10,151
Advertising expense	1,652	1,644
Sales commission expense	1,702	1,729
Remuneration, salary and bonuses	7,266	7,244
Provision for employees' retirement benefits	365	394
Fringe benefit	1,312	1,327
Traveling and communication expenses	1,062	1,095
Rent expense	879	965
Business consignment fee	1,169	1,134
Research and development expense	865	881
Other selling, general and administrative expense	3,293	3,269
<b>Total</b>	35,780	36,764
<b>Operating income</b>	8,340	8,475
Non-operating revenues		
Interest income	48	38
Dividend income	365	338
Equity in earnings of affiliates	7	77
Other non-operating revenues	549	471
<b>Total</b>	971	925
Non-operating expenses		
Interest expenses	706	731
Other non-operating expenses	791	430
<b>Total</b>	1,498	1,162
<b>Recurring income</b>	7,813	8,238
Extraordinary income		
Gain on sales of fixed assets	403	400
Gain on sales of investment securities	127	1,031
Reversal of provision for losses on disaster	145	–
<b>Total</b>	676	1,432
Extraordinary losses		
Loss on sales of fixed assets	4	0
Loss on disposal of fixed assets	135	184
Impairment loss	154	–
Loss on disaster	358	–
Loss on discontinued operations	120	–
Loss on devaluation of investment securities	691	123
<b>Total</b>	1,464	307
<b>Income before income taxes and minority interest</b>	7,025	9,362
Income taxes – current	2,864	2,955
Income taxes – deferred	(23)	43
<b>Total</b>	2,841	2,999
Income before minority interests	4,184	6,363
Minority interests in net income (loss) of consolidated subsidiaries	(25)	62
<b>Net income</b>	4,209	6,300

## Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	Six months ended September 30, 2011 (Apr. 2011–Sep. 2011)	Six months ended September 30, 2012 (Apr. 2012–Sep. 2012)
Income before minority interests	4,184	6,363
Other comprehensive income		
Net unrealized holding gains on securities	242	(1,596)
Deferred gains or losses on hedges	(71)	(43)
Translation adjustment	588	(102)
Share of other comprehensive income of associates accounted for using equity method	8	(7)
Total	768	(1,750)
Comprehensive income	4,953	4,612
(Breakdown)		
Comprehensive income attributable to owners of the parent	5,049	4,499
Comprehensive income attributable to minority interests	(95)	113

# Consolidated Statements of Cash Flows

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	Six months ended September 30, 2011 (Apr. 2011–Sep. 2011)	Six months ended September 30, 2012 (Apr. 2012–Sep. 2012)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	7,025	9,362
Depreciation and amortization	7,397	7,057
Impairment loss	154	—
Increase (decrease) in provision for doubtful accounts	(11)	(147)
Increase (decrease) in provision for employees' retirement benefits	635	27
Decrease (increase) in prepaid pension expenses	106	0
Interest and dividends income	(414)	(376)
Interest expense	706	731
Equity in losses (earnings) of affiliates	(7)	(77)
Loss (gain) on sales of fixed assets	(399)	(400)
Loss on disposal of fixed assets	77	101
Loss (gain) on sales of investment securities	(127)	(999)
Loss on devaluation of investment securities	691	123
Reversal of provision for losses on disaster	(145)	—
Loss on disaster	358	—
Decrease (increase) in notes and accounts receivable – trade	(7,065)	(5,259)
Decrease (increase) in inventories	(3,910)	1,255
Increase (decrease) in notes and accounts payable – trade	2,016	(41)
Other	1,966	129
Subtotal	9,055	11,486
Interest and dividend income received	480	437
Interest expense paid	(671)	(695)
Payments for loss on disaster	(1,600)	—
Income taxes paid	(2,274)	(3,819)
<b>Net cash provided by operating activities</b>	<b>4,989</b>	<b>7,409</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(6,335)	(3,465)
Proceeds from sales of tangible assets	497	661
Purchase of investment securities	(207)	(1,021)
Proceeds from sales of investment securities	183	2,388
Purchase of subsidiary shares resulting in change in scope of consolidation	—	(498)
Other	(602)	(478)
<b>Net cash used in investing activities</b>	<b>(6,462)</b>	<b>(2,414)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term bank loans	(8,844)	1,604
Increase (decrease) in commercial paper	(10,000)	1,000
Proceeds from long-term loans	122	—
Repayment of long-term loans	(241)	(857)
Proceeds from issuance of bonds	20,000	—
Repayment of lease obligations	(1,903)	(2,037)
Purchase of treasury stock	(1,861)	(3)
Dividends paid	(1,518)	(1,470)
Dividends paid to minority interests	(214)	(115)
Proceeds from stock issuance to minority shareholders	7	416
Other	0	—
<b>Net cash used in financing activities</b>	<b>(4,452)</b>	<b>(1,464)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>122</b>	<b>32</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,802)</b>	<b>3,562</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>10,795</b>	<b>10,608</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,992</b>	<b>14,170</b>

## Industrial Segment Information

NICHIREI CORPORATION

### (1) Six months Ended September 30, 2011 (April 1, 2011 through September 30, 2011)

(Million yen; amounts less than one million yen are omitted)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Adjustments	Consolidated
Operating revenues	86,749	32,538	36,377	67,581	2,006	1,336	226,590	-	226,590
Intra-group sales and transfers	180	122	1,194	7,231	592	1,535	10,856	(10,856)	-
Total	86,930	32,660	37,571	74,812	2,599	2,872	237,446	(10,856)	226,590
Operating income	2,557	406	326	3,654	1,233	189	8,367	(26)	8,340

### (2) Six months Ended September 30, 2012 (April 1, 2012 through September 30, 2012)

(Million yen; amounts less than one million yen are omitted)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Adjustments	Consolidated
Operating revenues	90,355	31,184	35,995	70,981	1,752	1,349	231,619	-	231,619
Intra-group sales and transfers	183	116	634	7,215	571	1,392	10,114	(10,114)	-
Total	90,538	31,301	36,629	78,197	2,323	2,742	241,733	(10,114)	231,619
Operating income	3,037	(146)	234	4,179	1,143	154	8,601	(126)	8,475

### (3) Fiscal Year Ended March 31, 2012 (April 1, 2011 through March 31, 2012)

(Million yen; amounts less than one million yen are omitted)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Adjustments	Consolidated
Operating revenues	173,849	65,412	73,586	135,405	3,745	2,932	454,931	-	454,931
Intra-group sales and transfers	309	240	2,005	14,133	1,204	3,102	20,995	(20,995)	-
Total	174,158	65,653	75,591	149,539	4,949	6,035	475,927	(20,995)	454,931
Operating income	5,152	222	525	7,389	2,357	482	16,130	47	16,177

## Forecast of Fiscal Year Ending March 31, 2013

NICHIREI CORPORATION

Forecast of Fiscal Year Ending March 31, 2013 (April 1, 2012 through March 31, 2013)

(Million yen; amounts less than one million yen are omitted)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Adjustments	Consolidated
Operating revenues (*1)	185,000	64,500	74,500	154,000	4,800	6,100	(20,900)	468,000
Operating income	6,000	0	700	7,900	2,200	400	(200)	17,000

(\*1) Operating revenues include Intra-group sales and transfers.

### Cautionary Statement with Respect to Forward-Looking Statements

This interim financial statement contains, in addition to historical facts, forward-looking statements regarding plans, outlook, strategies and future results. These explanations concerning future business results may or may not include words such as "believes," "expects," "plans," "strategy," "prospects," "estimates," and "forecasts," or variations of these words or similar expressions. All such statements are based on management's assumptions and beliefs derived from the information available to it at the time of publication of this report. A variety of important factors may cause actual results to differ significantly from these forecasts. Thus, it is advised that investors refrain from making investment decisions based solely on these forward-looking statements. Nichirei and its Group companies will not necessarily revise their forward-looking statements in accordance with new information, future events and other results. Risks and uncertainties that could affect the actual results of Nichirei and its Group companies include, but are not limited to:

- 1) Economic conditions and industry environment surrounding the business activities of Nichirei and its Group companies;
- 2) Foreign exchange rate fluctuations, particularly involving U.S. dollars and euros;
- 3) The feasibility of establishing a unified quality control structure covering product development, purchasing of ingredients, production and sales;
- 4) The feasibility of new product and service development;
- 5) Nichirei's and its Group companies' ability to implement growth strategies and build a low-cost structure;
- 6) The feasibility of achieving effective alliances between the Nichirei Group and outside companies;
- 7) Contingency and related risk, etc.

However, factors that may affect the performance of the Nichirei Group are not limited to those listed above. Further, risks and uncertainties include the possibility of future events that may have a serious and unpredictable impact on the Group.